

SENATE BILL No. 322

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-8-8.5.

Synopsis: Deferred retirement option plan. Removes the deferred retirement option plan (DROP) expiration date for members of the 1925 police pension fund, the 1937 firefighters' pension fund, or the 1953 police pension fund who converted to the benefits and conditions of the 1977 police officers' and firefighters' pension and disability fund (converted member). Allows a converted member who: (1) entered the DROP after March 14, 2006; and (2) selected a DROP retirement date that was less than 36 months after the member's DROP entry date because of the DROP expiration date; to make a one time, irrevocable selection of a new DROP retirement date that is not later than 36 months after the member's DROP entry date.

Effective: Upon passage; March 15, 2006 (retroactive).

Miller

January 11, 2007, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 322

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-8-8.5-1.5, AS ADDED BY P.L.51-2006,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 MARCH 15, 2006 (RETROACTIVE)]: Sec. 1.5. **(a) Except as**
4 **provided in subsection (b),** this chapter expires for members of the
5 1925 fund, the 1937 fund, or the 1953 fund on the date the authority of
6 the board of trustees of the public employees' retirement fund to
7 distribute from the pension relief fund established under IC 5-10.3-11-1
8 to units of local government (described in IC 5-10.3-11-3) amounts
9 determined under IC 5-10.3-11-4.7 expires.
10 **(b) Subsection (a) does not apply to a police officer or firefighter**
11 **who converted benefits from the 1925 fund, the 1937 fund, or the**
12 **1953 fund to the benefits and conditions of the 1977 fund under**
13 **IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed**
14 **September 1, 1981).**
15 SECTION 2. IC 36-8-8.5-14, AS AMENDED BY P.L.51-2006,
16 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 MARCH 15, 2006 (RETROACTIVE)]: Sec. 14. (a) Subject to



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subsection (b), a member who enters the DROP established by this chapter shall exit the DROP at the earliest of:

- (1) the member's DROP retirement date;
- (2) thirty-six (36) months after the member's DROP entry date; or
- (3) the mandatory retirement age applicable to the member, if any.

(b) **This subsection does not apply to a police officer or firefighter who converted benefits from the 1925 fund, the 1937 fund, or the 1953 fund to the benefits and conditions of the 1977 fund under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981).** A member of the 1925 fund, the 1937 fund, or the 1953 fund who enters the DROP established by this chapter must exit the DROP on the date the authority of the board of trustees of the public employees' retirement fund to distribute from the pension relief fund established under IC 5-10.3-11-1 to units of local government (described in IC 5-10.3-11-3) amounts determined under IC 5-10.3-11-4.7 expires.

SECTION 3. [EFFECTIVE UPON PASSAGE] (a) **This section applies to a police officer or firefighter who:**

(1) converted benefits from:

- (A) the 1925 police pension fund (IC 36-8-6);
- (B) the 1937 firefighters' pension fund (IC 36-8-7); or
- (C) the 1953 police pension fund (IC 36-8-7.5);

to the benefits and conditions of the 1977 police officers' and firefighters' pension and disability fund (IC 36-8-8) under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981);

(2) after March 14, 2006, made the election under IC 36-8-8.5-9 to enter the deferred retirement option plan (DROP) under IC 36-8-8.5; and

(3) selected a DROP retirement date (as defined in IC 36-8-8.5-8) that is less than thirty-six (36) months after the individual's DROP entry date (as defined in IC 36-8-8.5-6) because of the DROP expiration date specified by IC 36-8-8.5-14(b), before its amendment by this act.

(b) Notwithstanding IC 36-8-8.5-10, an individual described in subsection (a) is entitled to make a one (1) time selection of a new DROP retirement date as provided in subsection (c).

(c) A new DROP retirement date selected by an individual under subsection (b) must be a date that is:

- (1) not earlier than the date the individual selected under IC 36-8-8.5-10(3) when the individual entered the DROP; and
- (2) not later than thirty-six (36) months after the individual's

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- 1 **DROP entry date.**
2 **(d) A selection under subsection (b):**
3 **(1) must be made in writing;**
4 **(2) must be filed before September 30, 2007, with the local**
5 **board of the fund of which the individual is a member; and**
6 **(3) is irrevocable.**
7 **(e) This SECTION expires December 31, 2007.**
8 **SECTION 4. An emergency is declared for this act.**

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